



The Teen Business Plan:

A Road Map to Getting Your Business Started...Successfully!

Developing your business plan is your road map to success in the business world. A business plan is simply a written document that outlines where you want to go and how you will get there.

Getting Started

Before you begin writing your business plan, consider these questions:

- What service or product does your business provide, and what need does it fill?
- Who are the potential customers for your product or service, and why will they purchase it from you?
- How will you reach your potential customers?
- Where will you get the financial resources to start your business?
- Do you really want to give up baseball, hockey, soccer, basketball, football, dance, piano and voice, or hanging out with or going to the mall with your friends to run this business?
- Will you have to run your business every day or just sometimes?
- Will running your business have an effect on school?
- Will your family help you out?

The answers to these questions are critical in determining whether starting a business is right for you – at least right now. It can also help you figure out what kind of business might work best for you. (You can get more ideas – and develop your own by visiting <http://www.money-and-kids.com/teen-business-ideas.html>)

One important thing to keep in mind is that you don't want to bite off more than you can handle. It is better to start small and then ramp up than to take on too much. That will stress you out and leave you with unhappy customers – and parents.

After you have all of those basics covered, it's time to get started on your actual plan.

Writing It Out

The business plan is your guide on the important parts of your business. You should adapt it to your specific business so that it will make sense for you. Dividing the plan into several areas makes writing it a little easier. Here are the key areas you will want in your plan.

Introduction

- Give a detailed description of the business and its goals
- Discuss the ownership of the business (it's probably just you, but it could include friends and family)
- List the skills and experience you bring to the business
- Discuss the advantages you and your business have over your competitors – what is your WOW?

Marketing

- Talk about the products/services offered.
- Figure out the customer demand for your product/service.
- Identify your market, its size and locations.
- Explain how your product/service will be advertised and marketed.
- Give details on how you will price your product/service

Financial Management

- Figure out how much money you will need to get started and where it is going to come from. You might have savings that you can use or maybe your parents will lend you the money.
- Develop a monthly operating budget for the first six months to a year. Keep it simple – how much will you make and spend in your business? There could be 2 lines: income from dogwalking and salary to you...or they might be lots of lines if you are creating products that require supplies, selling fees plus your time.
- Determine your breakeven point – when will you have earned enough to cover the money that you had to put in to start with?
- Explain how and how much you will be paid. For a service, such as babysitting, this can be a simple hourly rate. If you are selling a product, you will need to calculate this differently.
- Talk about who will handle your accounting records and how they will be kept. This could be that you will keep a simple Excel file – you don't need to make it complicated or use QuickBooks right away
- Provide "what if" statements that address alternative approaches to any problem that may develop. This could be not having enough money for supplies for a big order or for transportation to get to your next appointment.

Operations

- Explain how the business will be managed on a day-to-day basis.

- Discuss hiring and personnel procedures. This could easily not apply to you so don't feel like you have to come up with a staffing plan and an application. In fact, very few teen businesses will have employees other than the owner.
- Figure out whether you need to worry about insurance, lease or rent agreements, and issues pertinent to your business. It's best to talk to a parent or other adult about these items. They are likely not to apply to you.
- Determine what equipment you will need to produce your products or services.
- Decide how and when production and delivery of products and services will occur.

Concluding Statement

Summarize your business goals and objectives and express your commitment to the success of your business.

Final Advice

Without a business plan, you have might not have written goals or objectives to measure your success. Starting a business is a full of uncertainties. Developing a thorough business plan helps minimize those uncertainties.

The more you are able to think through the initial questions about going into business as well as developing your business plan, the more successful you are likely to be.